

## PERFORMANCE MONITORING REPORT (PMR) #5

**TO:** Joseph Lieberman, CTO, USAID  
**FROM:** Jack Sullivan, Development Associates  
**RE:** USAID Evaluation IQC (#AEP-I-OO-00-00023-00)  
**DATE:** October 22, 2001

### A. NEW (PREVIOUSLY UNREPORTED) TASK ORDER SUMMARIES

During the reporting period Development Associates bid for and was awarded seven new (previously unreported) task orders, as follows:

- ▶ **Georgia/Energy Sector Evaluation** *Contract No. AEP-I-OO-00023-00, Task Order No. 806, Period of Performance: 6/29/01 - 9/7/01, Amount: \$95,713.*

In 1999 USAID/Caucasus approved a strategic plan that aimed at creating a more cost efficient and environmentally sustainable energy sector in the nation of Georgia. In collaboration with the World Bank and other donors, USAID subsequently funded a number of initiatives aimed at assisting the newly created wholesale electricity market structure, supported regulatory development and assisted selected electricity and gas distribution companies, working largely through contractors. In 2001, following a competition under the Evaluation IQC, the Mission awarded a task order to Development Associates to conduct a wide-ranging evaluation to ascertain what progress had been made during the first two years of its program. Working with our woman-owned subcontractor, IPC, we deployed a team of three energy specialists, all with strong international credentials. They conducted a strategic evaluation of the Georgia energy sector to identify trends and key targets of future interventions, analyzed the possibilities for increased revenue recovery in the energy sector, and assessed the performance of the USAID-funded contractors. Through document reviews, interviews with stakeholders and site visits, the team arrived at a number of findings, conclusions and recommendations. Their report proved particularly useful in the areas of 1) the need for additional USAID funding for technical assistance and other inputs, and 2) suggested changes in the USAID strategy and results framework. The work of our team subsequently resulted in significant refinements in the USAID's programming in energy.

***Problems Encountered and Remedial Action:*** None.

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- ▶ **Caucasus Regional Credit Evaluation** *Contract No. AEP-I-00-00-00023-00, Evaluation IQC, Task Order No. 808, Period of Performance: 6/29/01 - 9/12/01, Amount: \$181,806.*

Lack of access to credit has been identified by USAID and other donors as one of the major impediments to growth of small and micro-enterprises (SME's) in Georgia and Azerbaijan. As a result several programs have been initiated and/or supported by the USAID Caucasus Regional Mission. In 2001, following a competition, the Mission awarded an Evaluation IQC task order to Development Associates. With our subcontractor/partner, Nathan Associates, we deployed a team of three highly qualified specialists in banking and finance for SME's. The team reviewed relevant documents; interviewed USAID and contractor/grantee personnel, host country stakeholders and "end users"; and conducted site visits in both Georgia and Azerbaijan. They focussed on analyses of 1) major constraints for increased access to capital, 2) demand and supply of credit, 3) the effectiveness of USAID funded credit institutions, 4) their financial and operation sustainability, and 5) the potential for productive partnerships between banking and non-banking institutions. The team reported its findings in separate documents for each country. The Georgia report also included design characteristics and a profile for transitioning present operations into more highly developed facilities. The reports of the Development Associates/Nathan team laid the groundwork for future USAID programs in the Caucasus credit sector.

***Problems Encountered and Remedial Action:*** As a result of illness, one evaluation team member withdrew in mid-assignment. Development Associates itself paid the airfare to send a highly-qualified replacement to finish the work.

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- ▶ **Ukraine/Evaluation of Energy Efficiency Activities** *Contract No. AEP-I-00-00-00023-00, Task Order No. 807, Period of Performance: 8/4/01 - 10/31/01, Amount: \$95,663.*

Under the Evaluation IQC, with our subcontractor IPC taking the lead, we undertook an evaluation of energy efficiency activities managed by USAID/Kiev, dating back to 1993. These activities were aimed at 1) policy reform and institutional development, 2) municipal energy conservation, and 3) finance and investment. The purpose of the evaluation was to ascertain the results attained in terms of the stated objectives of individual programs and the aggregate broader impact in the energy economy. A team of three specialists: 1) determined progress toward the goal of reducing energy waste in Ukraine, 2) diagnosed the barriers that continue to deter energy efficiency, and 3) recommended an approach that will complement other USAID objectives. The team undertook an intensive review of the situation and produced a report that assisted the Mission in adjusting its energy efficiency strategy to Ukrainian realities.

***Problems Encountered and Remedial Action:*** None.

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- ▶ **REDSO/ESA Regional Gender Impact Assessment** Contract No. AEP-I-00-00-00023-00, Task Order No. 803, Period of Performance: 8/15/01 - 2/15/02, Amount: \$185,735.

Development Associates was awarded this contract under the Evaluation IQC to determine the level of impact of USAID programs in Eastern and Southern Africa (ESA) in the field of women in development (WID). This six-month effort was an opening effort to develop a regional approach to gender by 1) broadening the amount of information available regionally, 2) describe the various approaches to gender that Missions in the region had been taking, 3) to make more relevant the accumulated experience, 4) to identify where USAID has a comparative advantage over other donors in gender activities, and 5) to assist in identifying potential avenues for future USAID interventions on WID in the region. We deployed a highly qualified team of three Africa WID specialists, two Americans and one Kenyan, who reviewed documents, interviewed stakeholders and conducted site visit in three countries: Kenya, Rwanda, and Tanzania. They provided the regional USAID, REDSO/ESA, with four major deliverables: 1) a comprehensive report on the regional gender impact of USAID supported activities, 2) an inventory of collected data, 3) a draft regional database suitable for tracking activities with a WID perspective, and 4) a workshop for USAID and other stakeholders designed to facilitate defining future collaborative regional approaches to gender. The result of the Development Associate effort was a renewed and more focussed approach toward gender activities in Eastern and Southern Africa.

***Problems Encountered and Remedial Action:*** As a result of the events of September 11, REDSO/ESA has rescheduled the field work for 2002. Our team members remain available to do the work despite the postponement.

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- ▶ **Ukraine/Assessment of Sustainability of Municipal Training Resources** Contract No. OUT-AEP-I-809-00-00023-00, Task Order No. 809, Period of Performance: 8/15/01 - 11/30/01, Amount: \$134,973.

Under the Freedom Support Act, USAID began providing support to municipal development in Ukraine in 1993 under a series of project activities. A major effort was aimed at government managerial capacity building and citizen involvement in decision-

making. It involved internships to the U.S., in country training in cities and at four Regional Training Centers (RTC). With the end of the project slated for Fall 2002, the Mission required a study of the sustainability of its efforts at the conclusion of USAID funding. Under our Evaluation IQC, Development Associates won the competition for the assignment and fielded a highly qualified team for the assessment. It included two senior U.S. experts on municipal governance and training, a legal specialist and a Ukrainian lawyer and political specialist. The team developed three major areas of inquiry:

- An analysis of the legal and regulatory environment in which an RTC might exist as an NGO, a consulting business or a not-for-profit organization.
- A comparative analysis of the various options for the establishment of USAID-supported non-governmental entities in municipal development, using the experience of the Mission in achieving sustainability for other programs.
- A study of the existing market in Ukraine for the training services that the future RTCs and other USAID-funded municipal support entities might provide to Ukrainian municipalities, utilities, international donors and international financial institutions. This included analysis of the potential competition, staff skills, quality of services, and the ability of prospective clients to pay.

The team undertook document reviews, interviews with stakeholders and site visits before preparing their report. That report suggested creative ways in which the viability of these USAID-supported municipal training institutions could be preserved and strengthened. It provided strong guidance to the USAID in its subsequent decision-making in this democracy and governance subsector.

***Problems Encountered and Remedial Action:*** None.

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- ▶ **Zimbabwe/Evaluation and Close-out of the Private Sector Investment Program**  
*Contract No. AEP-I-00-00-00023-00, Task Order 811, Period of Performance: 8/17/01 - 10/26/01, Amount: \$81,532.*

When the Government of Zimbabwe in 1992 shifted economic policies and began fostering the private business sector, USAID/Harare responded with a series of major initiatives through contracts, grants and cooperative agreements under the umbrella Zimbabwe Enterprise Development (ZED) project. As ZED was in the process of terminating, the Mission, following a competition under the Evaluation IQC, chose a team drawn from Development Associates and our partner, Nathan Associates, to undertake two primary objectives:

- First, to assist the Mission staff with an evaluation and other documentation required to close out the private sector development program activities in accord with USAID regulations; and

- Second, to evaluate and document the impact of Mission investments in private sector development in Zimbabwe from 1992 on and to determine lessons learned.

The team was composed of two international business development specialists and a Zimbabwe professional. They reviewed documents, interviewed stakeholders, and conducted site visits. Their activities also proved valuable through their efforts with the Mission to assist the program close-out. The team's evaluation report confirmed the positive impact of several components of ZED on the Zimbabwe environment for small and medium-sized business.

***Problems Encountered and Remedial Action:*** None

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- **Russia/Evaluation of the Assistance to Russian Orphans Program** Contract No. AEP-I-OO-0-0-00023-00, Task Order No. 810, Period of Performance: 9/21/01 - 11/7/01, Amount: \$111,680.

The Assistance to Russian Orphans (ARO) was the first such program implemented in Russia under two agreements signed in 1999. The ARO is designed to work with indigenous non-governmental organizations (NGOs) to promote community-based, family-oriented services to improve the wellbeing of Russian orphans planned as a three-year \$6 million effort, the program is implemented by Holt International Children's Services and Mercy Corps International. The purpose of this evaluation, awarded to Development Associates following a competition under the Evaluation IQC, was to provide an assessment and recommendations in several areas. They included: 1) the overall performance and mid-term impact of ARO program, 2) the effectiveness of the program strategy, 3) impacts on current state structure regarding orphans, 4) possible design changes during the remaining months of the initial program, and 5) prospects for extending ARO. A combined team of U.S. and Russian specialists reviewed documents, interviewed stakeholders and conducted site visits in Western Russia and the Russian Far East, areas targeted under ARO. Their observations and resulting report had a significant influence on the conduct of ARO during the remaining months of its initial phase, and on the design of follow-on activities.

***Problems Encountered and Remedial Action:*** None.

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## **B. PENDING TASK ORDERS**

- ▶ **Macedonia/Evaluation of the Democracy Network (DemNet) Program.** *Contract No. AEP-I-00-00-00023-00, Task Order, Period of Performance: 6/11/01 - 8/03/01, Amount: \$55,323.*

The DemNet Program in Macedonia is part of a USAID regional program targeted at building sustainable, indigenous, public policy related non-governmental organizations (NGOs) in Central and Eastern Europe. When the program in Macedonia was nearing completion after six years of operation, the USAID Mission awarded a task order contract under our Evaluation IQC to Development Associates. Our scope of work called for us to 1) assess the progress of the DemNet Program toward achieving stated program objectives, to document its progress and lessons learned, 2) to analyze the key problems and the overall conditions of the NGO sector in Macedonia, and 3) to consider and discuss options for follow-on assistance by the U.S. to support Macedonian NGOs and foster their further development. As a result of the outbreak of conflict in Macedonia, however, it became impossible for the firm's expert on DemNet evaluations and his Macedonian professional team member to proceed with the assignment.

**Problems Encountered and Remedial Action:** Because of armed conflict in Macedonia, the field work for the assignment remains pending.

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## **C. COMPLETED TASK ORDERS**

- ▶ **Ukraine/Assessment of the Regional Community Humanitarian Assistance Program (CHAP).** *Contract No. AEP-I-00-00-00023-00, Task Order No. 800, Period of Performance: 2/2/2001 - 4/13/2001, Amount: \$93,173.*

**Problems Encountered and Remedial Action:** Because of circumstances beyond their control, the team was not able to visit Belarus as envisioned in the original SOW. Through telephonic interviews, however, they were able to receive a substantial amount of information on the program in Belarus.

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- ▶ **Ukraine/Evaluation of the Banking Sector** *Contract No. AEP-I-00-00-00023-00, Task Order No. 801, Period of Performance: 2/20/2001 - 4/13/01, Amount: \$76,648.*

**Problems Encountered and Remedial Action:** None.

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- ▶ **Evaluation of the Institutional Strengthening and Grant-Making (ISGM) Program of the Horn of Africa Support Project (HASP).** *Contract No. AEP-I-00-00023-00, Task Order No. 802, Period of Performance: 3/6/01 - 4/14/01, Amount: \$113,893.*

***Problems Encountered and Remedial Action:*** None.

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- ▶ **Ghana/Evaluation of the Natural Resource Conservation & Historic Preservation Project.** *Contract No. AEP-I-00-00-00023-00, Task Order No. 803, Evaluation IQC, Period of Performance: 5/4/01 - 6/16/01, Amount: \$140,332.*

***Problems Encountered and Remedial Action:*** None.

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